

Government of the District of Columbia

Department of Health Care Finance



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Health Care Finance Shows Improvements in District's 2009 Comprehensive Annual Financial Report

City Council to Hold Hearing on Report Today

WASHINGTON, D.C. – The District of Columbia's Department of Health Care Finance (DHCF) has made significant improvements to its Medicaid programs according to the District's 2009 Comprehensive Annual Financial Report (CAFR). Independent auditor BDO, LLC downgraded DHCF from a material weakness (problems in the design or operation of internal controls over financial reporting) to a significant deficiency. Overall, the District received a clean audit opinion for the 13th consecutive year.

Medicaid has been a perennial concern in the CAFR, often times listed as a material weakness (see chart below). The 2007 CAFR cited Medicaid as having nine areas of concern/findings; there were five findings in 2008; there are three findings remaining. Currently, DHCF management is addressing potential claims disallowance and accounts receivable write-offs, delay's in issuance of audited cost reports and maintenance of supporting documents at Income Maintenance Administration.

"Our reform to programs is a long time coming, said Dr. Julie Hudman, DHCF Director. "Within our first year as a cabinet level agency we were able to accomplish changes that have moved us closer to not being an area of concern.

To address the 2008 CAFR findings, DHCF organized an internal audit and developed a corrective action plan. DHCF also made major improvements to its programs such as conducting an agency realignment, hiring new management, strengthening quality controls, holding providers accountable, combating fraud and abuse and maximizing program resources.

"Our downgrade shows that we are moving in the right direction," said Julie Hudman. "We will continue laying the foundation to become a more efficient, transparent and fiscally responsible agency."

To view the CAFR in its entirety go to: www.cfo.dc.gov

The District of Columbia, Department of Health Care Finance (DHCF), formerly the Medicaid Assistance Administration in the Department of Health, became a cabinet level agency on October 1, 2008. The mission of DHCF is to improve health outcomes by providing access to comprehensive, cost-effective and quality healthcare services for residents of the District of Columbia.

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